

Factors Influencing the Success of Software Startups in Sri Lanka: A Comparative Analysis using SmartPLS & SEMinR

T.I. Attygalle^{1*}, A.S. Withanaarachchi², S. Jayalal³

¹*Department of Industrial Management, University of Kelaniya, Kelaniya, Sri Lanka, attygall_im17007@stu.kln.ac.lk*

²*Department of Industrial Management, University of Kelaniya, Kelaniya, Sri Lanka, amilaw@kln.ac.lk*

³*Department of Industrial Management, University of Kelaniya, Kelaniya, Sri Lanka, shantha@kln.ac.lk*

IT industry is one of the fast-growing industries in Sri Lanka. In that industry the software development sector plays a massive role. Out of these software development firms, a considerable number of companies are startups. But compared to other countries, the contribution from software startups to the country's economy is very low in Sri Lanka. Further with the current economic crisis Sri Lanka faces it is even harder for startups to continue their businesses and also it is challenging for an entrepreneur-minded person who wants to establish a software startup in Sri Lanka. This study focuses on the factors influencing the success of software startups in Sri Lanka and how those factors will be affected by the current economic crisis in Sri Lanka. The study has been conducted using a systematic literature review to discover and validate influential factors from past studies. Then the conceptual framework was formed to assess the variables. To validate the model, data was collected through an online questionnaire survey. Testing and validation of collected data were done using a comparative analysis between Smart PLS and SEMinR. The results of both studies show that the availability of finance is the only factor that has a significant relationship with the success of software startups in Sri Lanka. With that the study also recommends taking necessary actions to improve the availability of funds for software startup companies.

Keywords: *IT industry, software startups, economic crisis, SmartPLS, PLS-SEM, SEMinR*